

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 3514-01
BILL NO.: HB 1473
SUBJECT: Real Estate Brokers: Licenses
TYPE: Original
DATE: February 1, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses
This fiscal note contains 3 pages.

FISCAL ANALYSIS

MLW:LR:OD:005 (9-94)

ASSUMPTION

Officials from the **Department of Economic Development - Division of Professional Registration (DPR)** assume the proposed legislation would have no fiscal impact on their agency.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
	0	0	0
<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
	0	0	0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

The proposed legislation prohibits any person from receiving a fee for the referral of real estate unless the person is licensed as a broker or salesperson or is regularly engaged in the real estate business in another state or foreign country.

The bill also requires that reasonable cause be established before any commission is paid by a licensee. Reasonable cause introduces the business to the licensee before a relationship is established between the licensee and the principal to the transaction. Even though reasonable cause exists, it will not guarantee the interested party a legal right to receive compensation.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

This proposal would not affect Total State Revenues.

SOURCES OF INFORMATION

Department of Economic Development - Division of Professional Registration

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A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is stylized with a large, circular initial "J" and a long, sweeping horizontal stroke.

Jeanne Jarrett, CPA
Director
February 1, 2000